



**MCI Communications
Corporation**

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Washington, DC 20006

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April 14, 1999

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W., TW-A325
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Submission
Federal-State Joint Board on Universal Service; CC Docket No. 96-45
Forward-Looking Mechanism for High Cost Support for Non-Rural LECs; CC
Docket No. 97-160

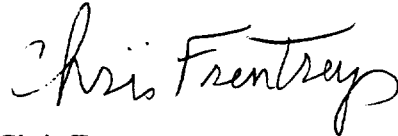
Dear Ms. Salas:

One of the inputs under consideration in the Commission's cost model process is the amount of structure sharing that occurs in outside plant, *i.e.*, the proportion of the cost of poles, conduit, trenching and other costs that are borne by the telephone company, with the remainder paid by other parties, such as electric companies, cable television providers, and other telecommunications providers. The attached tables display, in a uniform format, the structure sharing percentages for underground, buried, and aerial distribution and feeder plant that have been adopted in three state proceedings. For comparison purposes, the default sharing percentages from the Commission's website and for the HAI model are also provided.

As can be seen from these tables, the Commission's current defaults are greatly in excess of the sharing percentages adopted by these states. These three states have adopted sharing percentages which, on average, imply that the incumbent local exchange carrier (ILEC) will bear 50 to 66 percent of the costs of structure, while the Commission's current defaults imply the ILEC will bear 80 percent of these costs. The HAI Model

sponsors, AT&T and MCI WorldCom, believe that it would be appropriate to adopt sharing percentages that are even lower than those adopted by these states, as documented in our previous submissions in these dockets. At a minimum, the sharing percentages adopted in these three states indicate that the Commission's current defaults are overstated and should be reduced.

Respectfully submitted,

A handwritten signature in cursive script, reading "Chris Frentrup".

Chris Frentrup
Senior Economist
MCI WorldCom
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(202) 887-2731

cc: Craig Brown, Richard Cameron, Chuck Keller, Mark Kennet, Katie King, Bob Loube, Jeff Prisbrey, Bill Sharkey, Sheryl Todd

FCC 03/99**Distribution sharing Fractions**

Density	UG	Buried	Aerial
0	100%	100%	50%
5	95%	100%	50%
100	90%	90%	50%
200	80%	80%	50%
650	80%	70%	50%
850	80%	70%	50%
2550	80%	70%	50%
5000	80%	70%	50%
10000	80%	70%	50%

Feeder sharing Fractions

Density	UG	Buried	Aerial
0	100%	100%	50%
5	95%	100%	50%
100	90%	90%	50%
200	80%	80%	50%
650	80%	70%	50%
850	80%	70%	50%
2550	80%	70%	50%
5000	80%	70%	50%
10000	80%	70%	50%

MN ALJ OAH Docket No. 12-2500-10956-2**Distribution sharing Fractions**

Density	UG	Buried	Aerial
0	100%	65%	50%
5	100%	65%	50%
100	100%	65%	50%
200	90%	65%	40%
650	80%	65%	40%
850	70%	65%	40%
2550	60%	65%	33%
5000	50%	65%	33%
10000	50%	65%	33%

Feeder sharing Fractions

Density	UG	Buried	Aerial
0	80%	66%	55%
5	80%	66%	55%
100	66%	66%	50%
200	66%	66%	50%
650	50%	66%	50%
850	50%	66%	50%
2550	50%	66%	50%
5000	33%	66%	50%
10000	33%	66%	50%

NV PUC Ordered: Docket 98-6004**Distribution sharing Fractions**

Density	UG	Buried	Aerial
0	50%	86%	33%
5	50%	86%	33%
100	50%	86%	33%
200	10%	10%	10%
650	10%	10%	10%
850	10%	10%	10%
2550	10%	10%	10%
5000	10%	10%	10%
10000	10%	10%	10%

Feeder sharing Fractions

Density	UG	Buried	Aerial
0	100%	100%	100%
5	100%	100%	100%
100	100%	100%	100%
200	40%	33%	33%
650	40%	33%	33%
850	40%	33%	33%
2550	40%	33%	33%
5000	40%	33%	33%
10000	40%	33%	33%

TX PUC Interim Order: Docket 18515**Distribution sharing Fractions**

Density	UG	Buried	Aerial
0	66%	66%	40%
5	66%	66%	40%
100	66%	66%	40%
200	66%	66%	40%
650	66%	66%	40%
850	66%	66%	40%
2550	66%	66%	40%
5000	66%	66%	40%
10000	66%	66%	40%

Feeder sharing Fractions

Density	UG	Buried	Aerial
0	66%	66%	50%
5	66%	66%	50%
100	66%	66%	50%
200	66%	66%	50%
650	66%	66%	50%
850	66%	66%	50%
2550	66%	66%	50%
5000	66%	66%	50%
10000	66%	66%	50%

HAI Defaults

Distribution sharing Fractions

Density	UG	Buried	Aerial
0	100%	33%	50%
5	50%	33%	33%
100	50%	33%	25%
200	50%	33%	25%
650	40%	33%	25%
850	33%	33%	25%
2550	33%	33%	25%
5000	33%	33%	25%
10000	33%	33%	25%

Feeder sharing Fractions

Density	UG	Buried	Aerial
0	50%	40%	50%
5	50%	40%	33%
100	40%	40%	25%
200	33%	40%	25%
650	33%	40%	25%
850	33%	40%	25%
2550	33%	40%	25%
5000	33%	40%	25%
10000	33%	40%	25%

Average Structure Sharing

FCC Synthesis Model	80%
Minnesota	66%
Texas	60%
Nevada	50%
HAI Defaults	33%

Weighted Average using Bell South Alabama Investments by Zone by Structure Types